

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 95-160-G - ORDER NO. 95-1610 ✓
OCTOBER 20, 1995

IN RE: Annual Review of Purchased Gas)	ORDER
Recovery Procedures and Gas Purchasing)	DENYING
Policies of Piedmont Natural Gas)	PETITION FOR
Company.)	REHEARING AND/OR
)	RECONSIDERATION

This matter comes before the Public Service Commission of South Carolina (the Commission) on the September 26, 1995 Petition for Rehearing and/or Reconsideration of our Order No. 95-1461 by the Consumer Advocate for the State of South Carolina (the Consumer Advocate). The Consumer Advocate noted that in Order No. 95-1461, the Commission ruled on gas costs and gas purchasing policies of Piedmont Natural Gas Company (Piedmont or the Company) and denied the Consumer Advocate's Motion requesting a refund of \$827,539. For the reasons stated below, we must deny the Petition.

At issue in the case is the treatment of the funds in Account No. 253.04 (deferred PGA account or PGA account). In our Order No. 90-673, the Commission ordered the Company to endeavor to limit the balance in the PGA account to \$3 million. Under the same Order, any balances in the future which exceed \$3 million are to be distributed to Piedmont's customers in accordance with a distribution plan which must be approved by the Commission. In

the following year, the Commission addressed the issue again in the context of Piedmont's rate case in Order No. 91-1003, which reaffirmed the limit of \$3 million in the PGA account and removed that amount from the Company's rate base. The Consumer Advocate asks that the Commission rehear and/or reconsider its holding in Order No. 95-1461, and order a refund of the \$827,539 over the \$3 million in Account No. 253.04.

Piedmont responded to the Consumer Advocate's Petition. Piedmont noted that both the Company and the Commission Staff argued in the case in chief that no such Order for any refund was necessary, because Piedmont already has a decrement in its rates that will refund the amounts for which the Consumer Advocate seeks a refund.

The Consumer Advocate, according to the Company, argues that the future balance in the PGA deferred account is only relevant in future PGA proceedings. The Company states that the Consumer Advocate apparently misunderstands the position taken by the Commission Staff and the Company, and adopted by the Commission. Piedmont has historically refunded any credit balance in its PGA deferred account through future reductions (decrements in rates). According to the Company, Piedmont presently has in its rates a decrement to refund past balances in its deferred account. Rather than remove this decrement when the past balance has been refunded, Piedmont has proposed to leave the decrement in its rates for the purpose of refunding the amounts for which the Consumer Advocate seeks a refund. Thus, according to the Company,

the existing decrement in Piedmont's rates will provide the refund sought by the Consumer Advocate.

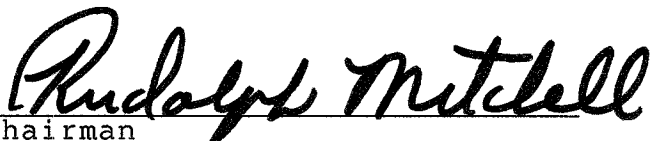
Further, the Company notes that the Commission has stated that it would revisit the issues raised by the Consumer Advocate relating to the PGA deferred account in Piedmont's general rate case in Docket No. 95-715-G. This issue was raised in the general rate case and was fully addressed by all parties.

The Commission has examined this matter, and agrees with the position taken by Piedmont. As stated by Piedmont, it does presently have in its rates a decrement to refund past balances in its deferred account. When left in effect, the amount over the \$3 million will be refunded to the consumers. Also, this issue has been discussed heavily in Piedmont's general rate case. The Order in that case is pending.

For these reasons, the Commission must deny the Petition for Rehearing and/or Reconsideration filed by the Consumer Advocate.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)